

Department of Social and Health Services

DP Code/Title: PL-FS Child Support For DD Children

Agency Wide

There are 3 Programs in this DP

Budget Period: 2003-05 Version: 12 2003-05 Fall Update 2 yr Budget

Recommendation Summary Text:

Program(s): 010 040 060

This proposal would enable the Division of Child Support (DCS) to assess and collect child support from parents of children with developmental disabilities placed in foster care or other out-of-home placement. The state may apply any child support collected to offset the cost for the care and maintenance of children, if the costs are paid from state funds or Title IV-E federal foster care funds.

Fiscal Detail:

Operating Expenditures

	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
001-1 General Fund - Basic Account-State	(50,000)	(50,000)	(100,000)
001-7 General Fund - Basic Account-Private/Local	2,000	2,000	4,000
001-A General Fund - Basic Account-DSHS Fam Support/Chi	11,000	11,000	22,000
Total Cost	(37,000)	(37,000)	(74,000)

Staffing

	<u>FY 1</u>	<u>FY 2</u>	<u>Annual Avg</u>
Agency FTEs	1.0	1.0	1.0

Package Description:

Program(s): 010 040 060

DCS is currently prohibited from collecting child support from parents of children with developmental disabilities. This proposal removes this prohibition allowing DCS to collect child support on behalf of children with developmental disabilities placed in foster care, whether the placement is the result of a dependency action or a voluntary placement agreement. DCS would establish support obligations against these parents, based upon the child support schedule, unless the Children's Administration (CA) or the Division of Developmental Disabilities (DDD) makes a determination that there is good cause not to pursue support against the parents, as it would not be in the child's best interest.

Child Support recoveries collected by DCS may then be used to offset the costs associated with the care and maintenance of the child. Additionally, the social security benefits the child receives may be reduced as a result of the child support collected. Collections exceeding the foster care expenditures paid from state funds or Title IV-E are distributed to a trust fund for the child.

Narrative Justification and Impact Statement

How contributes to strategic plan:

Program(s): 010 040 060

This proposal would help offset the cost to the state for the care and maintenance of children with developmental disabilities placed in foster care, and help the department to achieve a portion of the cost recovery envisioned in the final Fiscal Year 2002 Supplemental Budget.

Performance Measure Detail

Goal: 01Z DSHS Accounts for Its Use of Public Dollars

Outcome Measures

	<u>FY 1</u>	<u>FY 2</u>
1Z9 General Fund - State savings due to Child Support Collected from parents of developmentally disabled children to offset care.	84,000	84,000

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Program: 040

Goal: 06D Effectively/efficiently use resources to accomplish values/principals/ mission

Incremental Changes

FY 1 **FY 2**

Output Measures

6DH Amount of Child Support collected from DD parents to offset the cost of foster care.

2,000 2,000

Program: 060

Goal: 01F Help people achieve self-sufficiency.

Incremental Changes

FY 1 **FY 2**

Outcome Measures

1FA Total child support collections (dollars in millions).

.009 .009

Reason for change:

Program(s): 010 040 060

This proposal would help offset the costs borne by the state for children with developmental disabilities that receive state or federal assistance.

Impact on clients and services:

Program(s): 010 040 060

DCS is currently prohibited from collecting child support from parents of children with developmental disabilities. This proposal would allow DCS to impose collection remedies, which would in turn reduce costs to the state. DCS would experience minimal costs associated with implementation.

The social security benefits currently received by clients may be reduced in an amount equal to the child support collected, since child support is considered income to the child by the Social Security Administration (SSA).

Impact on other state programs:

Program(s): 010

The Department of Social and Health Service (DSHS) Office of Accounting Service, DDD, CA, and DCS would all be impacted by this proposal.

Program(s): 040

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Program(s): 060

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Relationship to capital budget:

Program(s): 010 040 060

None

Required changes to existing RCW, WAC, contract, or plan:

Program(s): 010

Agency request bill Z-0047.3 includes revisions to RCWs 13.34.160, 13.34.270, 74.13.031, 74.13.350, and 74.20A.030. Additionally, DDD will be required to enact rules regarding good cause to implement. DCS and CA may need to amend their rules to implement these changes.

Program(s): 040

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Program(s): 060

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Alternatives explored by agency:

Program(s): 010 040 060

None

Budget impacts in future biennia:

Program(s): 010 040 060

The anticipated costs and recoveries would continue in future biennia.

Distinction between one-time and ongoing costs:

Program(s): 010 040 060

All costs are ongoing.

Effects of non-funding:

Program(s): 010

This proposal will reduce General Fund-State costs. If this proposal is not supported, the monies that would have been saved will not be available for other high priority state functions. Parents of developmentally disabled children would continue to be exempt.

Program(s): 040

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Program(s): 060

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Expenditure Calculations and Assumptions:

Program(s): 010 040 060

Assumptions for CA recoveries:

CA is estimating the child support collection caseload will increase by approximately 677 cases, including current cases in foster care and anticipated new referrals. In nearly all cases, the costs for the care and maintenance of children is either paid from state funds or from Title IV-E foster care funds, both of which may be offset by child support collected. Support collected over the amount expended by the state or from Title IV-E funds is distributed to a trust fund for the child. Assuming that DCS collects, on average, 33 percent of foster care cases, and of the cases where we obtain a collection, we average \$34 per month per case (677 cases x \$34 x .33 x 12), the estimated recovery would be \$91,151 annually.

Most children with developmental disabilities also receive social security benefits. Receipt of child support most likely will reduce the child's social security benefits. Additionally, if the child's trust fund exceeds \$2,000, this could impact the child's social security benefits.

Assumptions for DDD recoveries:

In the DDD program, approximately 340 children with developmental disabilities are currently placed in foster care through either voluntary placement or through a dependency or guardianship proceeding. Most of these children participate in the Community Alternatives Program waiver, where the cost for their care and maintenance is primarily funded by Medicaid (Title XIX). Child support cannot be used to offset any care and maintenance expenses paid out of Medicaid funds. Any support collected over the amount expended by the state is distributed to a trust fund for the child. Room and board is not a

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Medicaid covered service. Most children with developmental disabilities also receive social security benefits, which are used to pay for the room and board. Parent support is considered income to the child, so receipt of child support most likely will reduce their social security benefits. Additionally, if the child's trust fund exceeds \$2,000, this could impact the child's social security benefits.

The children must be under 18 years of age and in an out-of-home placement (foster care or group care). They must be receiving a state-only service (Medicaid rules prohibit cost-sharing for services furnished to children). Their current service costs must not be included in the Supplemental Security Income/State Supplemental Payment (SSP) proposal. That leaves only two services whose costs may be offset by child support: 1) maintenance (room and board) costs for non-SSI children (children with SSI are excluded because their payment was covered to SSP, and 2) individual provider (respite and attendant care) costs for non-waivered children.

There are no children in the Residential Habilitation Centers (RHC), and all services in the RHC are Medicaid-covered services. In the Voluntary Foster Care Placement Program (VPP), 16 of the 340 children have the two services previously mentioned, whose costs may be offset by child support from their parents.

DCS collects some support on approximately 33 percent of foster care cases, and in cases where DCS obtains a collection, the average monthly collection is \$34 per month per case. For DDD, the estimated recovery would be \$2,154 annually (\$34 x 16 cases x .33 x 12 months).

Assumptions for DCS costs:

This proposal creates an additional caseload for DCS. We assume this proposal will increase the DCS caseload by approximately 700 cases. The average caseload for a support enforcement officer is approximately 600 cases, requiring an additional FTE. DCS must be able to separately identify foster care cases where the child has developmental disabilities, in the event that the distribution of support must change, or in the event that legislative or legal intervention prohibits DCS from assessing and collecting support on this population. This will require programming changes to Support Enforcement Management Services.

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
A Salaries And Wages	44,000	44,000	88,000
B Employee Benefits	10,000	10,000	20,000
N Grants, Benefits & Client Services	(91,000)	(91,000)	(182,000)
Total Objects	(37,000)	(37,000)	(74,000)

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DSHS Source Code Detail

Overall Funding		<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Fund 001-1, General Fund - Basic Account-State				
<u>Sources</u>	<u>Title</u>			
0011	General Fund State	(50,000)	(50,000)	(100,000)
<i>Total for Fund 001-1</i>		<u>(50,000)</u>	<u>(50,000)</u>	<u>(100,000)</u>
Fund 001-7, General Fund - Basic Account-Private/Local				
<u>Sources</u>	<u>Title</u>			
5417	Contributions & Grants	2,000	2,000	4,000
<i>Total for Fund 001-7</i>		<u>2,000</u>	<u>2,000</u>	<u>4,000</u>
Fund 001-A, General Fund - Basic Account-DSHS Fam Support/Chi				
<u>Sources</u>	<u>Title</u>			
563I	Title IV-D Child Support Enforcement (A) (66%)	36,000	36,000	72,000
658L	Title IV-E-Foster Care (50%)	(25,000)	(25,000)	(50,000)
<i>Total for Fund 001-A</i>		<u>11,000</u>	<u>11,000</u>	<u>22,000</u>
Total Overall Funding		<u>(37,000)</u>	<u>(37,000)</u>	<u>(74,000)</u>

Funding Totals by Program

Dollars in Thousands

<u>Program</u>	<u>FTE's</u>		<u>GF-State</u>		<u>Total Funds</u>	
	<u>FY 1</u>	<u>FY 2</u>	<u>FY 1</u>	<u>FY 2</u>	<u>FY 1</u>	<u>FY 2</u>
010 Children's Administration	0.0	0.0	(66)	(66)	(91)	(91)
040 Div of Developmntl Disab	0.0	0.0	(2)	(2)	0	0
060 Economic Services Admin	1.0	1.0	18	18	54	54
Grand Total:	<u>1.0</u>	<u>1.0</u>	<u>(50)</u>	<u>(50)</u>	<u>(37)</u>	<u>(37)</u>